

**IMPORTANT NOTICE FROM
OPTIMIST INTERNATIONAL FOUNDATION OF CANADA
("OIFC")
ON FUND RAISING CAMPAIGNS**

**Pass-Through Program Guidelines
*(These guidelines were approved by
Canada Customs and Revenue Agency)***

OIFC is a registered charitable organization under the Canadian and Quebec tax laws. As such, it can organize and implement various charitable activities and use its resources to this effect and can issue official receipts for tax purposes to the people to whom it directs its campaign in order to finance these activities.

The Optimist Clubs of Canada, for their part, can also implement different programs in order to help their community and organize fund raising campaigns. However, since they are not registered charitable organizations under the tax laws, they cannot issue official receipts for tax purposes to the donors.

But as everyone knows, to receive an official receipt for tax purposes may sometimes encourage a donor to increase the amount of its contribution, which is to the advantage of the ultimate beneficiaries of the program financed by these fund raising campaigns. Thus, with the approval of the Canada Customs and Revenue Agency as well of *Revenu Québec*, OIFC has implemented the "Pass-Through" program in order to help the Clubs to optimize the financing of their charitable projects and activities. This program allows the Clubs to finance the projects that they cherish while allowing the donors to benefit from an official receipt for tax purposes issued by OIFC. However, one condition applies: The Club must act as agent or mandatory of OIFC and must conclude with OIFC, an agent or outsourcing agreement ("**Outsourcing Agreement**") and must follow the following guidelines:

- 1. Outsourcing Agreement and Project Application Form must be submitted to the Optimist International Foundation of Canada for approval.**
 - As such, the Club President must sign, for each project, an Outsourcing Agreement with OIFC and the Project Application Form attached to it as Schedule B.
 - The Outsourcing Agreement and the Project Application Form must be submitted to the Executive Director of the OIFC.

- Only those projects complying with the objects of OIFC (enumerated in Schedule A of the Outsourcing Agreement and enumerated at no. 5 hereinafter) will be approved.
- After Executive Director's review of these documents, they will be forwarded to the Outsourcing Program Committee for approval. The Executive Director will thereafter notify the Club President by phone of the outcome of the approval process. In addition to the phone notification, a letter and copies of the documents will be sent to the Club President for the Club project file.
- **Project cannot be started and fundraising efforts implemented until approved by the Executive Director of the Optimist International Foundation of Canada.**
- Projects that are refused by OIFC may be reviewed and re-submitted for approval to OIFC or may be nevertheless implemented by the Club. However, in this last case, no official receipts for tax purposes will be issued to donors and this will have to be clearly mentioned to the potential donors.

2. Project Status Report

- Accurate records must be kept by the Club and shall include record of all funding, expenses, assets and liabilities pertaining to the project.
- Project Status Report (Schedule C of the Outsourcing Agreement) must be submitted to the attention of the Executive Director of OIFC monthly and at the termination of the project.
- A Project Status Report must be completed on every 30th day of September of each year for any project still in progress on this date.
- OIFC shall have an unrestricted right to inspect the Club's books pertaining to approved project at any time.

3. Payments

- Any proceeds of the fund raising campaign or associated to the project financing, of whatever nature (contributions of money, movables or immovables, as gift or otherwise, sponsorship, etc.) (the "**Proceeds**") must be directed and remitted to OIFC.

- A sum or property, the total value of which is equivalent to forty percent (40%) of the Proceeds of the project shall be transferred to the Club by OIFC at the implementation of the project.
- Remaining sixty percent (60%) shall be staggered throughout the development and progress of the project and transferred to the Club as funds or property.
- Project Status Reports must be submitted before any portion of the sixty percent (60%) can be released.

4. Charitable Tax Receipts

- If a donor requests an official receipt for tax purposes, the Club must provide OIFC with the name and address of the donor and with the amount of the gift, so that the OIFC can issue the receipt directly to the donor.

5. Projects for which the Outsourcing Program may be utilized are those charitable programs, activities and projects aimed at:

- Promoting and encouraging the social, educational, physical or artistic development and growth of Canadian youth, such as the following programs and activities: sponsorship programs, the award of scholarships and the dissemination of information on safety and drug abuse;
- Promoting and encouraging youth leadership and social integration in the community and in Canadian society, through, for example, training seminars and the dissemination of information on observance of law and youth appreciation;
- Bringing about the relief of poverty and its adverse effects upon Canadian youth in particular and upon Canadian society in general;
- Improving the human and social condition within the communities in which the Corporation operates through its affiliated Clubs and the Canadian society in general in other charitable matters such as health, public amenities, environmental restoration, care of handicapped and of elderly people.

Revised March 24, 2003

SCHEDULE "A"
OPTIMIIST INTERNATIIONAL FOUNDATIION OF CANADA
OBJECTS

The objects of the Corporation are:

1. To set up and carry out charitable programs, activities and projects aimed at:
 - 1.1. promoting and encouraging the social, educational, physical or artistic development and growth of Canadian youth, such as the following programs and activities: sponsorship programs, the award of scholarships and the dissemination of information on safety and drug abuse;
 - 1.2. promoting and encouraging youth leadership and social integration in the community and in Canadian society, through, for example, training seminars and the dissemination of information on observance of law and youth appreciation;
 - 1.3. bringing about the relief of poverty and its adverse effects upon Canadian youth in particular and upon Canadian society in general;
 - 1.4. improving the human and social condition within the communities in which the Corporation operates through its affiliated clubs and Canadian society in general in other charitable matters such as health, public amenities, environment restauration, care of handicapped and of elderly people;
2. To provide material, human and financial resources, as well as knowledge in the furtherance of projects in the nature of the aforementioned charitable and educational programs, activities and projects;
3. To constitute and maintain endowment funds to further the achievement of the aforementioned programs, activities and projects;
4. To constitute life annuity contracts for the benefit of donors or of beneficiaries designated by donors to further the achievement of the aforementioned programs, activities and projects;
5. To receive funds and to seek and accept real and personal property by gift, bequest, donation, legacy, purchase or through fund-raising activities (including the sale of goods) or otherwise for the purpose of the aforementioned programs, activities and projects; and
6. To hold, maintain and administer such funds and property in trust or otherwise, either through the above mentioned endowment funds or otherwise, solely for the purpose of the aforementioned programs, activities and projects.

SCHEDULE "B"
OPTIIMIIST IINTERNATIIONAL FOUNDATIION OF CANADA
PROJECT APPLIICATIION FORM

Name of Club: _____
Address of Club: _____

PROJECT DESCRIPTION

Nature of Project¹: _____

Charitable purpose of Project: _____

Starting date of the financing of the Project: _____

Starting date of the implementation of the Project: _____

Estimated completion date of the Project: _____

BUDGET

Estimated Project costs: _____

Estimated revenues (donations, sponsorship, or others): _____

(Detailed budget on page 2)

Application date: _____

Prepared by: _____

Signature: _____

¹ The Project must comply to the objects for which it has been incorporated and which we reproduced at **Schedule "A"** of the Outsourcing Agreement.

BUDGET

	<u>Budget (\$)</u>
<u>Revenues</u>	
Donations	
Fund-raising activities (not reported as donations)	
Other sponsorship	
Others	
Total	
<u>Costs</u>	
Material	
Labour	
Administration	
Fund-raising	
Others	
Total	
Surplus / (Amount to be financed)	

FOUNDATION APPROVAL

Date report received: _____

Conditions of approval (procedures to follow or particular instructions) : _____

Person who approved report: _____

Signature: _____

PROJECT NAME: _____

PROJECT NUMBER: _____

SCHEDULE "C"
OPTIMIST INTERNATIONAL FOUNDATION OF CANADA
WEEKLY / MONTHLY / FINAL PROJECT STATUS REPORT

Name of Club: _____
Address of Club: _____

PROJECT NAME _____

PROJECT NUMBER _____

PROJECT STATUS

Estimated completion date of Project: _____

	Budget	Month / Week ⁽¹⁾	To date
	\$	\$	\$
<u>Revenues</u>			
Donations			
Fund-raising activities (not reported as donations)			
Sponsorship			
Others			
Total			
<u>Costs</u>			
Material			
Labour			
Administration			
Fund-raising			
Others			
Total			
Surplus / (Amount to be financed)			

(1) Documents attached

Date of report: _____
 Prepared by: _____
 Signature: _____

FOUNDATION APPROVAL

Date report received: _____
 Person who approved report: _____
 Signature: _____